

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

RICHARD LEE HAUENSTEIN)	
)	
COMPLAINANT)	
)	
v.)	CASE NO. 2004-00310
)	
NORTH SHELBY WATER COMPANY)	
)	
DEFENDANT)	

ORDER TO SATISFY OR ANSWER

North Shelby Water Company ("North Shelby") is hereby notified that it has been named as defendant in a formal complaint filed on August 3, 2004, a copy of which is attached hereto.


Pursuant to 807 KAR 5:001, Section 12, North Shelby is HEREBY ORDERED to satisfy the matters complained of or file a written answer to the complaint within 10 days from the date of service of this Order.

Should documents of any kind be filed with the Commission in the course of this proceeding, the documents shall also be served on all parties of record.

Done at Frankfort, Kentucky, this 12th day of August, 2004.

By the Commission

ATTEST.



Executive Director

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of:

Richard Lee Hauenstein
(Your Full Name)

COMPLAINANT

VS.

North Shelby Water Co.
(Name of Utility)

DEFENDANT

RECEIVED

AUG 03 2004

PUBLIC SERVICE
COMMISSION

2004-00310

COMPLAINT

The complaint of Richard Lee Hauenstein respectfully shows:
(Your Full Name)

(a) Richard Lee Hauenstein, Narrator
(Your Full Name)

6917 Benson Pike, Shelbyville KY 40065
(Your Address)

(b) North Shelby Water Co. (hereinafter, referred to as NSWC)
(Name of Utility)

P.O. Box 97 Bagdad KY 40003
(Address of Utility)

(c) That: Please see attached sheets describing
(Describe here, attaching additional sheets if necessary,

the complaint specifically, plus NSWC's
the specific act, fully and clearly, or facts that are the reason

reply to an informal complaint previously
(and basis for the complaint)
filed with PSC of Kentucky, and a printout
of amounts paid to NSWC by complainant

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Formal Complaint

Richard Lee Hauenstein vs. North Shelby Water Co.

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during period of dispute.

Wherefore, complainant asks a reimbursement to be calculated,
(Specifically state the relief desired.)

in cash or credit to complainant's water bill,
equal to the difference between the actual amounts
billed to complainant in the disputed period, and,
a reasonable average monthly charge as determined

Dated at Shelbyville, Kentucky, this _____ day by PSC.
(Your City)

of _____, 19____.
(Month)

Richard L. Hauenstein
(Your Signature)

(Name and address of attorney, if any)

**Commonwealth of Kentucky
Before the Public Service Commission**

Richard Lee Hauenstein
6917 Benson Pike
Shelbyville KY 40065

VS.

North Shelby Water Company
P. O. Box 97
Bagdad KY 40003

May 21, 2004

To: Kentucky Public Service Commission

Full text of complaint in above matter:

I have been a customer of North Shelby Water Co. (referred to in the remainder of this document as NSWC) in Bagdad KY since approximately November of 2000. For a portion of that time, until approximately May of 2001, I had a temporary trailer attached to the water line, while I had my home constructed. In May of 2001, I moved the service from the trailer to the house, where it remains connected to this date.

Starting in approximately April or May 2001, I have believed my monthly bills from NSWC were excessively high, and getting higher most months for no known reason, based on my experience with the cost of water services in other localities, most recently Louisville KY, and based on my knowledge of the type of usage at my home.

In or around April or May of 2001, based on this belief, I requested of NSWC that they send one of their field operations people to my home, to check my meter and see if they could detect any evidence that there was a leak in my system, either on the utility's side of the meter or on my side. I was informed after this inquiry that there was no leak.

However, in or about April or May of 2002, as I continued to believe that my bills were excessive and inexplicably irregular in amount, I again requested by phone that my line be checked for a leak. I received no result from this request for about 10 days, and called again about it, at which time I was told by the person who answered the phone that she had "forgotten about it", and that she would make sure it was taken care of as soon as possible.

To make a long story short, I never received any reply to that second inquiry in April-May 2002 either, and the matter simply left my mental list of items needing attention, and neither I nor NSWC initiated any further contact on the topic. As I had installed and filled a 15000-gallon pool in May of 2002, the matter ceased to concern me, and eventually I

more or less forgot about it, and assumed that the rates, while high, were as they should be, if I gave it any thought at all.

NSWC now maintains that they did indeed inform me, sometime in April (according to their records) or May (by my recollection) of 2002, that I had a leak in my line. ***I did not receive this communication.*** As evidence of this, I offer the fact that, had I indeed been informed of the existence of a leak in my water line, there is no way in the world that I would have neglected to have it repaired for nearly two years.

In late February of 2004, in the course of a conversation with a neighbor two doors from me, whose water usage would seem to be similar to mine based on his living arrangement and the size of his home, I became aware that his average water bill was somewhere in the area of \$15.00 to \$20.00 a month. Further investigation in conversation with other neighbors in my immediate area showed that they were paying similar water bills on average.

Based on this information, I engaged the services of a professional excavator/plumber, who discovered that there was indeed a leak in an outdoor free-standing hose hydrant near my house, which was producing no surface evidence of its existence, and repaired it, at my expense, in early March 2004.

On March 15, 2004, I attended a meeting of the board of directors of NSWC, and among other items discussed by me and the board members, I brought up this issue. This was the point at which I learned that NSWC had made an inspection in May 2002, and that they contended they had informed me of a leak, **a message which I repeat I never received.** I was also informed by one of the board members at this meeting that "asking my neighbors how much their water bills are is not a good way to figure up how much mine should be", or words to that effect.

The very first water bill I received after this repair was made was very nearly the lowest one I have received in all the time I have been a customer of NSWC - \$14.71. It is quite certainly the lowest bill I have received since May of 2002, when I was supposedly informed there was a leak in my line.

My average water bill for the period June 1, 2002 to March 1, 2004 has been approximately \$44.71 per month. My average bill for the period November 2000, when my meter was installed, to May 31, 2002 has been \$22.27, or **less than half the later period**, and this includes the initial filling of the swimming pool. Surely this is a discrepancy worthy of notice by NSWC.

I therefore contend that NSWC has not exercised due diligence under the provisions of their tariff dated June 16, 1988, specifically as pertains to the section "Rules and Regulations", para. VI, Company's Obligations, subpara. G, "Monitor Bills for Unusual Variance", to wit: **"The Company shall continue computer monitoring of Member's meter readings for unusual usage variances, which monitoring process shall include a printout, prior to actual billing, of any such unusual variances. If the Member's**

usage is unduly high and the deviation is not otherwise explained, the Company shall test the meter in accordance with 807 KAR 5:006, Section 9”.

I also contend that they are in violation of page 21 (Original Sheet #18) of the same tariff, headed “Monitoring of Customer Usage”. Quotation of the page’s provisions would take up too much space here, so I refer the PSC to it.

In sum, it is my contention that NSWC, whether they *thought* they told me I had a leak or not (and I maintain they did not), was not diligent in monitoring my usage either before or after the event, and making certain the leak *they admit they knew about* was repaired. It is also my contention that the average usage and bills of all the houses of similar size within a ½-mile radius of my home were much smaller than my usage and bills in virtually every month of the period in question, and that this constitutes a detectable “unusual usage variance”, as defined above. In other words, they knew I had a leak, knew I was showing usage *far* above that of comparable homes around me, and far above that which I had shown prior to the leak, and they acted as if they believed all they had to do was leave a message, or whatever they claim they did on this notification that I did not receive, (I most certainly did not receive any notification or usage printouts in writing) and their job was done. For the reasons I state here, I disagree.

I therefore request that PSC find NSWC in violation of their operational tariff, and in addition to any sanctions PSC may find advisable to NSWC, that NSWC be required to refund to me the difference between a calculated average usage (as calculated from the bills of customers near me, with similar sized dwellings and a similar number of occupants), and the average usage as posted to my bill, for each month of the entire period from the initial discovery of a leak by NSWC (according to NSWC’s records) in May 2002 until the period ending March 19, 2004.

Sincerely,

(Signed Electronically)

Richard L. Hauenstein
6917 Benson Pike
Shelbyville KY 40065
Phone 502-747-5880 or 502-396-3484
Email: RichMiles@aol.com
NSWC Account #42-1438-01

**ADDENDUM APPENDED TO THIS COMPLAINT AFTER RECEIPT OF
NSWC’S REPLY TO MY INFORMAL COMPLAINT:**

From an email sent to me by Matt Rhody of Kentucky PSC:

This is a copy of North Shelby's response regarding your complaint.

North Shelby's records indicate that it contacted the complainant on two occasions regarding a possible leak. The first contact was made on April 2, 2001 and the next was April 10, 2002. North Shelby provided copies of the telephone messages. North Shelby provided a copy of the complainant's usage history. The usage history shows that his monthly consumption was not at all unusual **prior to filling of his swimming pool***. North Shelby maintains that it followed its tariff and notified the customer on two separate occasions of a possible leak.

* Emphasis placed by Complainant

MY REPLY TO MR. RHODY'S EMAIL, AND THUS TO NSWC'S RESPONSE TO THE INFORMAL COMPLAINT:

Dear Mr. Rhody:

NSWC's reply as sent by you today is, in my opinion, simply not responsive to the complaint, dances around the potentially damaging issues raised, and is in some degree completely beside the points raised in the original complaint. My reasons for this opinion are described below.

This response is not even consistent with the information provided to me at the meeting of March 15, 2004, nor is it consistent with my non-receipt of any such message confirming a leak in my system in April or May of 2002.

Specifically, the message from April '01, which I did indeed receive, said there was NO evidence of a leak, contrary to NSWC's claim that they told me I did have one at that time. If I had received the April '02 message, **there is no earthly way I would have allowed this condition to continue unrepaired for two years or more.** My original complaint points both these facts out.

NSWC's "record" of phone messages allegedly left consists, as I saw at the meeting on March 15, of handwritten notes apparently placed in my file by a member of their clerical staff. I don't call this "proof" that the message was given me, and I still maintain that no such message ever reached me or my wife. As there is no one else living at this address other than my wife and me who has access to our voice mail, I continue to maintain that no message was received, no matter what record NSWC may have claiming that such a message was sent.

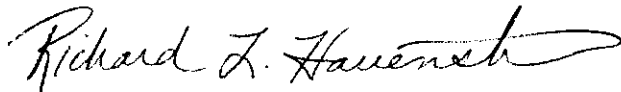
As for the coincidence of the installation of my swimming pool to this matter: first, unless they obtained the information from someone other than me, NSWC had no idea I even had a pool till I told them so in March of 2004 - therefore, **they could not have used knowledge that I had a pool as an excuse not to notify me** that my usage was higher than usual, long prior to that date. It should be noted that my water meter is near the road, some 400 yards from my house, and my pool is behind the house, not visible from the road, or indeed from anywhere except behind the house or overhead - therefore, there would be no reason for any employee of NSWC to come all the way up to my house, and thus no way they would know I had a pool. I didn't seek to hide the fact from anyone, but neither did I feel it necessary to exercise any degree of diligence in ensuring that I DID tell NSWC.

Second, I did not install and fill the pool until mid to late June of '02, which usage appeared on the bill due in late July '02. And I of course DO NOT fill the pool every month in any case, and certainly not in the fall or winter months, when the over-usage continued. After the initial filling, there is only occasional topping off to be done during warm-weather months, no more than perhaps 500-1000 gallons a month if the weather is extremely hot and some evaporation occurs.

Finally, the pool only holds 15000 gallons, and my bills for the months in question indicated far more usage than that, too much to be accounted for by the pool plus normal personal use. Their explanation is, therefore, not an explanation that fits available facts. I therefore do not consider NSWC's reply to be adequate. I have an electronic spreadsheet (MSWorks) prepared that shows an analysis of my water bills pretty much from the inception of my account with NSWC. I can email it to you if you believe it would be helpful.

End of Complaint Text

Enclosure: Printout of spreadsheet showing water bills paid to NSWC during period disputed.

A handwritten signature in cursive script that reads "Richard J. Hauenstein". The signature is fluid and includes a long, sweeping horizontal line at the end.

Richard Hauenstein
6917 Benson Pike
Shelbyville KY 40065
Email: richmiles@aol.com
Phone 502-396-3484 (cell) or 502-747-5880 (home)

North Shelby Water Co. Payments 2000-2004

Date	Check #	Amount	
11/30/2000	1012	\$11.47	
12/28/2000	1020	\$15.37	
1/8/2001	1025	\$16.79	
2/27/2001	1045	\$20.00	
3/30/2001	1056	\$20.00	
Apr 01 - No payment made - credit balance from previous month			
5/25/2001	1078	\$25.00	
Cash paid - hand delivered			
7/20/2001	1102	\$20.00	
Aug 01 - No payment made - credit balance from previous month			
9/26/2001	1136	\$40.00	
10/29/2001	1149	\$40.00	
Nov 01 - No payment made - credit balance from previous month			
Dec 01 - No payment made - credit balance from two months ago			
1/22/2002	1180	\$31.13	
2/25/2002	1190	\$14.30	
3/26/2002	1201	\$18.85	
4/27/2002	1217	\$17.92	
6/3/2002	1228	\$21.01	Avg. = \$22.27
7/22/2002	1249	\$38.35	Swimming pool installed, partially fill
8/25/2002	1271	\$67.96	Pool partially filled
9/29/2002	1284	\$66.24	Pool fill completed
10/23/2002	1300	\$54.22	
11/29/2002	1307	\$31.47	
12/28/2002	1319	\$29.75	
1/28/2003	1334	\$51.46	
2/25/2003	1346	\$33.88	
3/25/2003	1359	\$45.63	
4/25/2003	1371	\$32.85	
5/27/2003	1387	\$48.20	
6/24/2003	1395	\$39.38	
7/23/2003	EFP	\$34.57	Electronic Fund Payment
8/29/2003	1406	\$37.32	
9/25/2003	1411	\$48.20	
10/23/2003	EFP	\$40.07	
11/25/2003	EFP	\$42.14	
12/23/2003	EFP	\$48.49	
1/23/2004	EFP	\$52.79	
2/25/2004	1428	\$48.20	Avg. = \$44.71
Mar 31 04	1431	\$47.71	Leak repaired in this bill cycle
4/23/2004	EFP	\$14.71	First bill after leak repaired